

VZCZCXR00904
PP RUEHPA
DE RUEHOS #0168/01 0681054
ZNY CCCCC ZZH
P 091054Z MAR 07
FM AMCONSUL LAGOS
TO RUEHC/SECSTATE WASHDC PRIORITY 8580
INFO RUEHZK/ECOWAS COLLECTIVE
RUEHUJA/AMEMBASSY ABUJA 8405
RUEHWR/AMEMBASSY WARSAW 0179
RUEHCD/AMCONSUL CIUDAD JUAREZ 0159
RUEHIT/AMCONSUL ISTANBUL 0160
RUEHSO/AMCONSUL SAO PAULO 0174
RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 03 LAGOS 000168

SIPDIS

SIPDIS

STATE FOR AF/W
STATE FOR INR/AA
WARSAW FOR LISA PIASCIK
CIUDAD JUAREZ FOR DONNA BLAIR
ISTANBUL FOR TASHAWNA SMITH
SAO PAULO FOR ANDREW WITHERSPOON

E.O. 12958: DECL: 02/22/2017

TAGS: PREL PGOV KDEM NI

SUBJECT: APRIL ELECTIONS UNLIKELY, SAYS PROMINENT ECONOMIST

LAGOS 00000168 001.2 OF 003

Classified By: Consul General Brian L. Browne for reasons 1.4 (b and d)

¶1. (C) Summary: In a February 22 conversation with the Consul General, Financial Derivatives Managing Director Bismarck Rewane said the brinkmanship between President Obasanjo and Vice President Atiku was approaching its climax, with Atiku sure to go to court to enjoin Obasanjo and the Electoral Commission from disininviting him to the presidential election. Not only Atiku's fate but the fate and timing of the elections wait in the wings. Additionally, the President was beginning to worry he might not be able to retain as much power as he would like once he leaves office. This realization will turn the president more desperate as we pass the ides of March and as April approaches. End summary.

¶2. (C) In a February 22 conversation with the Consul General, Financial Derivatives Managing Director Bismarck Rewane predicted elections would not hold in April. Political contacts in Abuja have stated President Obasanjo was circulating the idea of postponing elections until October, asserted Rewane. These same insiders claim that, should this cat's paw turn into a formal proposal to the National Assembly, sufficient numbers of assembly members are angry enough to respond by calling for the President's impeachment.

¶3. (C) Obasanjo has offended many assembly members by extinguishing their reelection plans due to the failure of his third term attempt, so many would like to use the eve of their departure to exact a similar revenge on Obasanjo, explained Rewane. In short, Rewane asserted that President Obasanjo remained unconvinced that he has to relinquish power. Second, Obasanjo was apopleptic concerning Vice President Atiku. Not only did he hate Atiku, Obasanjo was also wary of allowing the Vice President to be on the loose. Atiku knows all the tricks of the trade of election rigging and has ample resources and supporters, according to Rewane. Obasanjo is afraid that Atiku could outmaneuver his attempts to influence election day. Thus, Obasanjo has initiated a series of lawsuits to deracinate Atiku's electoral ambitions. However, Obasanjo has thus far lost each suit. With each legal setback, Obasanjo is diminished while Atiku scores a public

relations victory in addition to his legal one.

¶4. (C) Now that Obasanjo has lost his previous court battles, his last legal stand is that Atiku is ineligible because he has been indicted by an administration panel. Atiku surely will sue to enjoin INEC from keeping his name off the ballot. Not only will Atiku sue, scores of other politicians similarly indicted will join him, forecasted Rewane. In a strange way, this plays to Obasanjo's hand. These suits might take so long to resolve that INEC would be forced to postpone the election pending their resolution, surmised Rewane.

Extension: Obasanjo Veers Closer To Crisis

¶5. (C) Obasanjo was also keeping alive options other than the legal tangle in which he has enmeshed Atiku and other opponents, mused Rewane. Obasanjo has sought to hold the Niger Delta right near its boiling point in case he needs a crisis to prolong his tenure. In such an instance, he could quickly steer the Delta toward a tenure-extending state of emergency, Rewane believed. For instance, Obasanjo was allowing Delta State to creep toward an ethnic rupture by not vetoing Governor Ibori's endorsement of his cousin as the PDP gubernatorial candidate. The candidate, Emmanuel Uduaghan, of the minority Itsekiri ethnic group, is strongly opposed by the Ijaw community. Violence is possible around the city of Warri. Should Delta descend into violence as it did in 2003, and a few other hotspots boil over, Obasanjo could declare a state of emergency, thereby extending his tenure.

¶6. (C) Rewane saw these tactics replicated in Rivers State and in parts of the southeast as well. These considerations were leading the country down a path strewn with traps and pratfalls, warned Rewane. Postponing the election, whether

LAGOS 00000168 002.2 OF 003

via petition to the NA or through emergency rule, would be dangerous. Both scenarios were ill-defined. The extent of presidential authority during emergency rule would be unclear as would be the roles of other elected officials, Rewane observed. Similarly, no clear path existed for the reorganization of postponed elections. In fact, argued Rewane, an extension of one day would effectively be akin to an indefinite extension. Such action would set a precedent for extra-constitutional retention of power.

¶7. (C) Extension of President Obasanjo's tenure would likely precipitate Ijaw secession, and thus a battle between Ijaw militants and the GON over the on-shore oil fields, Rewane predicted. Militant groups have amassed enough arms for such action, he stated. Describing this scenario, Rewane reasoned that Ijaw secession would initiate a domino effect, wherein other southern groups might copy the Ijaw secession declaration.

¶8. (C) While much of the rest of the Nigeria was concerned about the nation's political stability, Obasanjo was busy creating a political dynasty, according to Rewane. Not only was Obasanjo pressuring INEC to disqualify candidates, he was also encouraging his daughter to become President of the Senate, while himself assuming the role of lifetime Chairman of the People's Democratic Party (PDP) Board of Trustees upon leaving office.

Elections Scenarios

¶9. (C) All Nigeria People's Party (ANPP) presidential candidate Muhammadu Buhari was favored in the north and misunderstood in the south, summed Rewane. Buhari was widely perceived in the south as a fanatic, said Rewane. Southern governors in Obasanjo's camp, loathe to retain Obasanjo yet

fearful of Buhari, were hedging their bets by funding Atiku's campaign. These governors saw Buhari as a martinet candidate who would not tolerate their sybaritic ways; Buhari might be more likely to prosecute them than even Obasanjo was.

(Comment: Rewane intimated that Obasanjo wants to chase Atiku out of the race so that formerly pro-Atiku PDP governors have no other option but to stay with the PDP -- if the choice is only between PDP and Buhari, this is effectively no choice at all for them. End comment.)

¶10. (C) In a fair election among the leading three candidates, Atiku would carry the south, asserted Rewane. However, should Atiku be barred from running, supporting Buhari would likely mean supporting a losing candidate, as Buhari holds scant appeal in the south. If Atiku is barred from contesting, the south would go for Yar'Adua heavily, and that would enable him to win the election, concluded Rewane.

¶11. (C) Buhari faced a number of difficulties in the south, Rewane noted. An ex-military leader, he was still associated with the country's dictatorial past. Furthermore, Buhari's choice of running mate put him at a disadvantage, stated Rewane. Buhari's partner is veteran Igbo politician Chief Edwin Ume-Ezeoke, who is old, lackluster; perhaps worst of all, Ume-Ezeoke also lacks money. Their ticket represents the old guard to many people. Instead a Buhari-Pat Utomi (of the African Democratic Congress) ticket would have been strong, opined Rewane, as Utomi has widespread appeal in the south among educated Nigerians and among the youth.

¶12. (C) Each of the main presidential contenders, all northern Fulani, once in office would dismantle the economic elite created by Obasanjo and would place Fulanis in key positions, argued Rewane. Fear of this fueled Obasanjo's efforts to retain control of key offices upon leaving the presidency. However, said Rewane, in an environment of constantly-shifting alliances, no amount of political legerdemain could guarantee Obasanjo permanent control of government.

LAGOS 00000168 003.2 OF 003

INEC Is A Vehicle For Fraud

¶13. (C) Rewane described INEC as a vehicle for money-making. His sources in the electoral commission told him they were benefiting from the proliferation of small parties. Illustrating his point, Rewane said INEC gives each party a stipend once its registration has been approved. An INEC official told him that he had been generous in registering parties with the understanding the official would get a certain percentage of the funds the party received from INEC. Also, an INEC official told him that politicians from all parties were busy giving money to INEC officials just to build goodwill. That official said he recently received a gift of two million naira (17,000 USD) from a leading figure in the Action Congress (AC).

Comment

¶14. (C) Comment: Rewane is a fairly keen observer of the Nigeria political scene. What he says is generally representative of the businessman who is not wedded to any particular political party nor is overly dependent on government for his daily bread. Increasingly, the election is boiling down to a test of whether President Obasanjo has the strength to impose his will in order to stay in office, or, will he have to make room for a successor. If Obasanjo seeks to impose a successor, Rewane sees rough times but sees this as probably acceptable to most Nigerians as long as Obasanjo leaves his office on time. However, should Obasanjo try to delay his exit, Rewane foresees political convulsions that

could disturb the underpinnings of Nigeria's democratic system. On this point, Rewane may be more Cassandra-like than most of his peers. Yet, a growing number of people are beginning to utter similar portents. End comment.

BROWNE